

traditional socialist economic factors while some socialist economies have also shown some economic features of the capitalist economy such as private capital, allocation according to capital, exploitation, the disparities of distribution of income, the market economy. Can all these lead to the conclusion that the traditional capitalist economy and traditional socialist economy are undergoing major changes and will reach to a more advanced social system which is neither capitalist nor socialist? Marxism calls on the proletariat to unite to overthrow the rule of bourgeois in the world. But now the United States, especially the traditional industries unions oppose imports from the socialist countries like China. Besides, unions and chambers of commerce which include employees and employers, or proletariat and the bourgeoisie stand in the same line on limiting imports from China. Nationalism seems to take a priority over proletarian internationalism. That's why we should utilize basic principles and methods of Marxism to revise some conclusions and views to state these new situations and problems correctly.

These problems are objective but hard and sharp questions for Marxist economists. Modern Marxist economics should meet all the challenges to correctly address and handle these problems. Only in this way can we uphold and develop Marxist economics in a scientific nature and ward off marginalization. Thus, Marxist economics will better serve our economy.

Frederick Engels and Karl Marx

about the world market

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The knowledge about the origin and about the historical importance of the world market and the world production are early knowledge of the new philosophy of life from Frederick Engels and Karl Marx.

I think, that at first the training as a commercial man, which Engels has had from September 1837 to March 1841 in the commercial firm of his father in Barmen (today Wuppertal) and in a great commercial company in Bremen, have contributed to this fact.

In August 1844 wrote Engels: “The concept of the Encyclopaedia was typical of the eighteenth century. History was in a similar position; now for the first time we find voluminous compilations of world history, as yet without any critical comment, and entirely without a philosophical approach Politics was given a human foundation, and political economy was reformed by Adam Smith.” (Karl Marx, Frederick Engels: Collected Works. Moscow 1975 f. [following: MECW], vol. 3, p. 470)

“Germany, France and England are the three foremost countries at the present moment in history”. (id., p. 471)

“The sixteenth and seventeenth centuries had created England’s colonies, sea-power and trade; and set up alongside the aristocracy a growing and already quite powerful middle class.” (id., p. 476, 477)

Inventions in the English pottery, spinning and weaving industries and of the steam-engine from 1763 to 1787 “stimulated social development”. (id., p. 479)

“In 1833 [...] one and a half million people lived directly” from the cotton manufacturing; the “quantity of exported cotton goods has increased eightfold since 1801”. (id., p. 480)

Cotton manufacturing, woollen industry, linen industry, silk industry “were thus totally revolutionised”. (id., p. 481, 482)

“But that is only the beginning of the industrial revolution. We have seen that dyeing, printing and bleaching expanded as a result of the advance in spinning and weaving and consequently sought the assistance of engineering and chemistry. [...] It

was only through the steam-engine that the inexhaustible coal fields beneath the surface of England acquired their great importance; new coal mines were opened in large numbers and the old ones worked with redoubled energy. The manufacture of spinning/machines and looms also began to constitute a separate branch of industry. The machines were made by machines. The machine-building industry in its turn influenced iron and copper mining.

The consequence of the revolution in cotton-spinning was necessarily a revolution in the whole of industry". (id., p. 482, 483)

The metal-working and coal, iron-ore, tin and copper-mines was renewed, new means of communication was created: roads and canals was constructed; since 1811 was built steamships and since 1830 opened railways. "This revolution through which British industry has passed is the foundation of every aspect of modern English life, the driving force behind all social development." (id., p. 483-485)

These facts wrote Engels too 1845 in his book "The Condition of the Working-Class in England" and added in this way: "As it had transformed the means of communication by land, so did the introduction of steam revolutionise travel by sea. The first steamboat was launched in 1807, in the Hudson, in North America; the first in the British Empire, in 1811, on the Clyde. Since then, more than 600 have been built in England; and in 1836 more than 500 were plying to and from British.

In summer 1845 Engels was going with Marx to London and Manchester. In this way Marx oneself could see the industrial, economic and social development in England.

Since September 1845 they started their work to write "The German Ideology". In the fragment "I. Feuerbach" they wrote: "With the advent of manufacture the various nations entered into competitive relations, a commercial struggle, which was fought out in wars, protective duties and prohibitions, whereas earlier the nations, insofar as they were connected at all, had carried on an inoffensive exchange with each other. Trade had from now on a political significance.

Manufacture and the movement of production in general received an enormous impetus through the extension of intercourse which came with the discovery of America and the sea-route to the East Indies. The new products imported thence, particularly the masses of gold and silver which came into circulation, had totally changed the position of the classes towards one another, dealing a hard blow to feudal landed property and to the workers; the expeditions of adventurers, colonisation, and above all the extension of markets into a world market, which had now become possible and was daily becoming more and more a fact, called forth a new phase of historical development.

The second period began in the middle of the seventeenth century and lasted almost to the end of the eighteenth. Commerce and navigation had expanded more rapidly than manufacture, which played a secondary role; the colonies were becoming considerable consumers; and after long struggles the various nations shared out the opening world market among themselves. This period is also characterised by the cessation of the bans on the export of gold and silver and the beginning of money trade, banks, national debts, paper money, speculation in stocks. and the development of finance in general.” (MECW, v. 5, p. 69, 70, 72)

“The concentration of trade and manufacture in one country, England, developing irresistibly in the seventeenth century, gradually created for this country a relative world market, and thus a demand for the manufactured products of this country which could no longer be met by the industrial productive forces hitherto existing.

Competition soon compelled every country that wished to retain its historical role to protect its manufactures by renewed customs regulations (the old duties were no longer any good against large-scale industry) and soon after to introduce large-scale industry under protective duties. In spite of these protective measures large-scale industry universalised competition, established means of communication and the modern world market, subordinated trade itself, transformed all capital into industrial capital, and thus produced the rapid circulation (development of the

financial system) and the centralisation of capital. By universal competition it forced all individuals to strain their energy to the utmost. It destroyed as far as possible ideology, religion, morality, etc., and, where it could not do this, made them into a palpable lie. It produced world history for the first time, insofar as it made all civilised nations and every individual member of them dependent for the satisfaction of their wants on the whole world, thus destroying the former natural exclusiveness of separate nations. It made natural science subservient to capital and took from the division of labour the last semblance of its natural character. It altogether destroyed the natural character, as far as this is possible with regard to labour, and resolved all natural relations into money relations.” (id., p. 72,73)

The members of the Communist League in Paris asked Engels at 22nd October 1847 to draft a communist program. He wrote to November 1847 the “Principles of Communism”, in which is said:

“Question 11: What were the immediate results of the industrial revolution and the division of society into bourgeois and proletarians?

Answer: Firstly, owing to the continual cheapening of the price of industrial products as a result of machine labour, the old system of manufacture or industry founded upon manual labour was completely destroyed in all countries of the world. All semi-barbarian countries, which until now had been more or less outside-historical development and whose industry and until now been based on manufacture, were thus forcibly torn out of their isolation. They bought the cheaper commodities of the English and let their own manufactory workers go to ruin. Thus countries that for thousands of years had made no progress, for example India, were revolutionised through and through, and even China is now marching towards a revolution. It has reached the point that a new machine invented today in England, throws millions of workers in China out of work within a year. Large-scale industry has thus brought all the peoples of the earth into relationship with one another, thrown all small local markets into the world market, prepared the way everywhere for civilisation and

progress, and brought it about that everything that happens in the civilised countries must have its repercussions on all other countries.” (MECW, v. 6, p. 345)

In the “Manifesto of the Communist Party” of Marx and Engels from 1848 we can read: “The bourgeoisie, historically, has played a most revolutionary part.

The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connexions everywhere.

The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country.” (id., p. 486, 487/488)

On the October 8, 1858 Marx wrote to Engels: “The task of the bourgeois society in the true sense of the word is the establishment of the world market, only in its outlines, and of the production, which is resting on this basis. Because the world is round, this seems to be completed with the colonisation of California and Australia and with the opening of China and Japan.”

In 1859 Marx published the first booklet of his planned work “A Contribution to the Critique of Political Economy”. In the preface he informed, that he wish to write six books:

1. Capital,
2. Landed property,
3. Wage labour (in industry, trade and agriculture);
4. State (and his importance for the economy),
5. Foreign trade,
6. World market.

The books 1-3 should investigate die economic conditions of life of the three big classes (bourgeoisie, land owners and working class) in each modern country, which are summarized through the respective state (through duties, customs, laws upon currency and other subjects, subsidies, protection, trade wars and so on) and represented in the foreign trade on the world market.

All this in the whole is the economy, that is the real social basis of the human society, from which follows finally the social structure (classes and strata), the politics, the law, the religion, the art, the singles sciences and the philosophy as levels of the *superstructure*.

Unfortunately Marx has only written the book about the capital, that is, about the production (Book I), the circulation (Book II), the distribution and consumption of the surplus value (Book III) and about the history of the theories to this subject (Book IV).

He wrote in the first book or volume of the “Capital” in 1867:

“The modern history of capital dates from the creation in the 16th century of a world-embracing commerce and a world-embracing market. Hence, apart from the radical changes introduced in the construction of sailing vessels, the means of communication and transport became gradually adapted to the modes of production of mechanical industry, by the creation of a system of river steamers, railways, ocean steamers, and telegraphs. But the huge masses of iron that had now to be forged, to be welded, to be cut, to be bored, and to be shaped, demanded, on their part, cyclopean machines, for the construction of which the methods of the manufacturing period were utterly inadequate.” (MECW, v. 35, p. 157, 387)

And in the third volume: “Appreciation” and “depreciation” “of capital” “require for their full development the credit system and competition on the world market, the latter being the basis and the vital element of capitalist production.

And when in the 16th, and partially still in the 17th, century the sudden expansion of commerce and emergence of a new world market overwhelmingly contributed to the fall of the old mode of production and the rise of capitalist production, this was accomplished conversely on the basis for this mode of production. On the other hand, the immanent necessity of this mode of production to produce on an ever-enlarged scale tends to extend the world market continually, so

that it is not commerce in this case which revolutionises industry, but industry which constantly revolutionises commerce.” (MECW, v. 37, p. 112, 331)

If the world market has existing importance as a part of the basis of the capitalist mode of production, then this is important too for the socialist countries and too under the conditions of coexistence of capitalist and socialist countries. That is a necessity too in a united socialist, a civilised world of a new type.

Marx and Engels have seen, that the world production and the world market are in a important connexion with the system of finance and credit and that all this is very important for the associated society of the future.

Marx wrote in the third volume of “Capital“ about the double character of the credit system: “on the one hand, to develop the incentive of capitalist production, enrichment through exploitation of the labour of others, to the purest and most colossal form of gambling and swindling, and to reduce more and more the number of the few who exploit the social wealth; on the other hand, to constitute the form of transition to a new mode of production.

But it should always be borne in mind that credit system is itself, on the one hand, an immanent form of the capitalist mode of production, and, on the other, a driving force in its development to its highest and ultimate form.

Finally, there is no doubt that the credit system will serve as a powerful lever during the transition from the capitalist mode of production to the mode of production of associated labour“. (MECW, v. 37, p. 439, 601, 602)

Conclusions:

Exchange of products and markets was too in pre-capitalist societies.

The creation of the world production and of the world market is the historical task of the bourgeoisie; they are conditions and results of the capitalist society.

World production and world market are too a condition for the socialist society.

The People's Republic of China and all countries, which want to go the road of the social progress and diminish the distance to the industrial developed countries, must use pro-active the world market as a form of development.

The long-term concept of the People's Republic of China to modernize the country until the middle of the 21st century and to develop the country in a developed country at a middle level demands the intelligent use and co-forming of the world market. In this relationship the Chinese foreign traders should ever keep in mind, that the economic relations have a double character: they have a natural *content* and a social *form* (which is dependent on the form of property of the marketing products).

World production and world market become overcome more powerful as like as in the 16th-18th century the national and state borders. Transnational trade areas and enterprises will be more and more decisive for the 21st century.